

MEMORANDUM



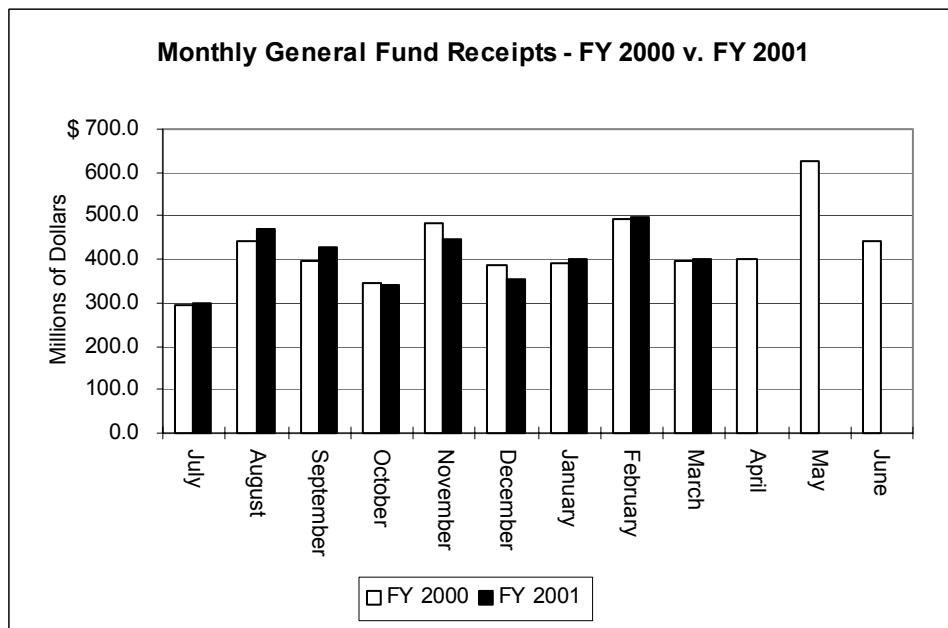
TO: Members of the Iowa Senate and
Members of the Iowa House of Representatives

FROM: Dennis C. Prouty

DATE: April 2, 2001

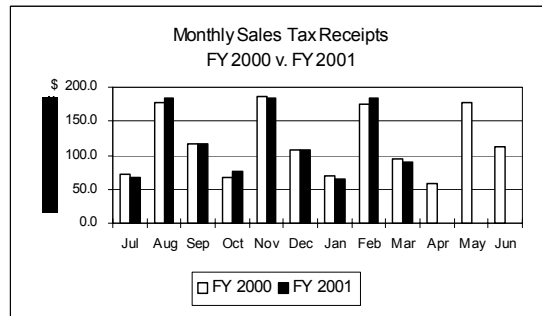
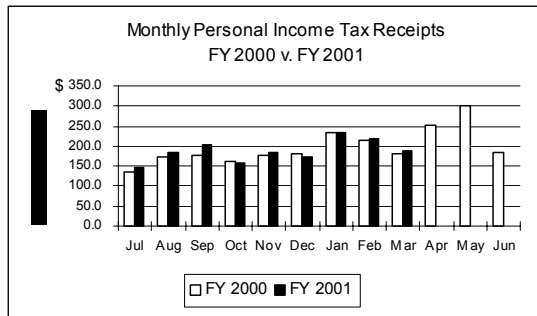
General Fund Receipts Through March 31, 2001

The attached spreadsheet represents total FY 2001 estimated General Fund receipts, with comparable figures for actual FY 2000. These can be compared to the latest FY 2001 estimate (\$5.131 billion) set by the Revenue Estimating Conference (REC) on March 14, 2001. The estimate represents an increase of \$34.2 million (0.7%) compared to actual FY 2000.



FY 2001 Compared to FY 2000

Year-to-date FY 2001 revenue increased by \$8.1 million (0.3%) compared to FY 2000. This is below the REC estimate of 0.7% for FY 2001.



Gross personal income tax revenues received in March totaled \$188.5 million, an increase of \$8.4 million (4.7%) compared to February 2000.

The REC FY 2001 income tax estimate of \$2.422 billion represents a projected increase of 1.9% compared to actual FY 2000. The year-to-date growth in personal income tax is currently 2.8%.

Withholding receipts increased in March by 4.5% compared to March 2000 while estimated payments increased 8.9%.

The Chart above compares monthly personal income tax receipts for FY 2000 with FY 2001.

Sales tax receipts in March totaled \$90.4 million, a decrease of \$4.6 million (-4.8%) compared to March 2000.

The REC estimate for FY 2001 sales tax receipts is \$1.448 billion, which represents an increase of 2.2% compared to actual FY 2000. The year-to-date growth in sales tax is currently 0.6%.

The Chart above compares monthly sales tax receipts for FY 2000 with FY 2001.

Corporate income tax receipts in March were \$16.4 million, a decrease of \$9.7 million (-37.2%) compared to March 2000.

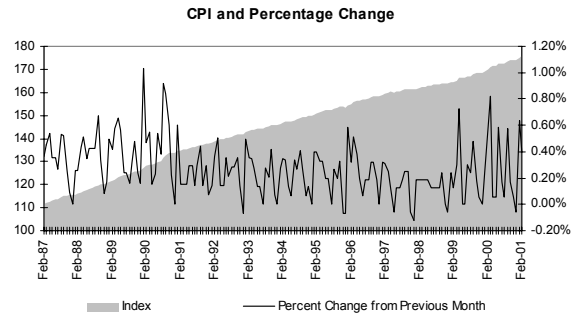
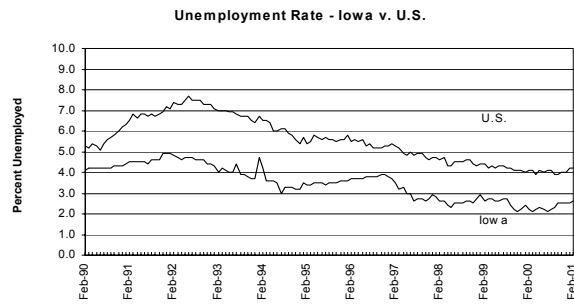
The REC projected FY 2001 corporate income tax receipts at \$308.9 million, a decrease of -5.3% compared to actual FY 2000. The actual year-to-date decrease in corporate income tax is currently -10.7%.

Status of the Economy

The seasonally adjusted percent unemployed for the State in February remained unchanged from January's rate of 2.6%. The unemployment rate a year ago was 2.7%. Iowa's total February employment registered at 1,539,000, down slightly from January's level of 1,539,100. The number of unemployed persons in Iowa stood at 41,400 in February, which is up from January's level of 40,500. The U.S. unemployment rate was 4.2% for February, unchanged from January's rate.

Consumer prices in January increased by 0.4% from January's level. The Consumer Price Index (CPI-U) through January 2000 was 175.80 (1983=100), which is 3.5% higher than one year ago. Half of the rise in the index is attributable to rising costs in petroleum-based energy and food.

The following series illustrate U.S. and Iowa unemployment comparisons and the CPI through January 2001.



Information related to State General Fund receipts is available electronically through the Fiscal Bureau's Electronic Publishing of Information System (EPI). If you have questions regarding this service, you may contact Glen Dickinson (515-281-4616).

GENERAL FUND RECEIPTS - FY 2000 vs. FY 2001 July 1 through March 31, in millions of dollars Dollars may not add due to rounding					ESTIMATED GENERAL FUND RECEIPTS in millions of dollars FY 00 Actual Compared to FY 01 REC Estimate		
	FY 2000		Year to Date FY 2001 %CHANGE		March %CHANGE		
Personal Income Tax	\$ 1,637.3	\$ 1,682.5	2.8%	4.7%	\$ 2,375.9	\$ 2,421.5	1.9%
Sales Tax	1,069.9	1,076.7	0.6%	-4.8%	1,416.6	1,448.4	2.2%
Use Tax	186.8	188.1	0.7%	-2.7%	246.8	249.0	0.9%
Corporate Income Tax	202.4	180.7	-10.7%	-37.2%	326.1	308.9	-5.3%
Inheritance Tax	91.6	74.7	-18.4%	-12.2%	114.8	103.1	-10.2%
Insurance Premium Tax	59.1	63.5	7.4%	10.8%	120.2	123.2	2.5%
Cigarette Tax	67.5	65.8	-2.5%	-11.3%	91.1	90.5	-0.7%
Tobacco Tax	5.0	4.9	-2.0%	80.0%	6.6	7.2	9.1%
Beer Tax	10.1	10.1	0.0%	0.0%	13.6	13.8	1.5%
Franchise Tax	19.3	19.6	1.6%	7.1%	31.8	31.9	0.3%
Miscellaneous Tax	2.6	2.6	0.0%	300.0%	1.3	1.3	0.0%
Total Special Taxes	\$ 3,351.6	\$ 3,369.2	0.5%	-0.9%	\$ 4,744.8	\$ 4,798.8	1.1%
Institutional Payments	37.3	36.1	-3.2%	25.8%	49.7	47.8	-3.8%
Liquor Transfers:							
Profits	25.5	27.0	5.9%	0.0%	36.0	37.0	2.8%
7% Gross Revenue	6.8	6.8	0.0%	0.0%	9.0	9.0	0.0%
Interest	19.2	15.2	-20.8%	-32.0%	26.0	18.3	-29.6%
Fees	51.4	51.1	-0.6%	6.3%	66.3	66.7	0.6%
Judicial Revenue	34.8	36.1	3.7%	42.6%	52.3	51.0	-2.5%
Miscellaneous Receipts	41.6	36.8	-11.5%	108.0%	52.7	42.4	-19.5%
Racing and Gaming Receipt	60.0	60.0	0.0%	0.0%	60.0	60.0	0.0%
TOTAL RECEIPTS	\$ 3,628.2	\$ 3,638.3	0.3%	0.5%	\$ 5,096.8	\$ 5,131.0	0.7%